

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 605 Discover Florida's Oceans Specialty License Plate
SPONSOR(S): Altman
TIED BILLS: **IDEN./SIM. BILLS:** SB 1704

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Highway Safety Subcommittee	9 Y, 0 N	Garner	Miller
2) Transportation			
3) Finance & Tax			
4) Trans. & Econ. Dev. Apps. (Sub)			
5) Appropriations			

SUMMARY ANALYSIS

HB 605 creates the "Discover Florida's Oceans" specialty license plate, and establishes an annual use fee of \$25, to be paid by purchasers of the plate in addition to license taxes and fees. Annual use fees are distributed to the Hubbs Florida Ocean Fund for programs directed at research, education and conservation of Florida's marine species and habitats, and the advancement of scientific research in those areas.

The bill directs DHSMV to retain up to \$60,000 of the initial proceeds from the sale of the plate to cover startup costs for developing and issuing the plate. Thereafter, annual use fees are to be distributed to the Hubbs Florida Ocean Fund, which may use up to 25 percent for marketing its concepts and the specialty license plate and for administrative costs. Twenty percent of the funds received by the Hubbs Florida Ocean Fund must be distributed to the Wildlife Foundation of Florida, Inc., for ocean, estuarine, or coastal scientific research, conservation, and education projects. The remainder of the funds must be used by the Hubbs Florida Ocean Fund to support various marine research, education, and conservation activities.

The Hubbs-SeaWorld Research Institute has met all of the statutory requirements, and has been approved by DHSMV to pursue Legislative authorization of the specialty license plate.

On March 3, 2004, the Highway Safety Subcommittee recommended one amendment and reported the bill favorably. For more details, see the AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES section of the analysis.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h0605a.tr.doc
DATE: March 3, 2004

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|--|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

Reduce Government?

The bill appears to increase government in that it requires DHSMV to develop and provide for the manufacture of a new license plate, and requires county tax collectors offices to maintain an appropriate inventory and administer the new plate.

B. EFFECT OF PROPOSED CHANGES:

Present Situation

The Florida Legislature created the first specialty license plates in 1986, one commemorating the seven astronauts who died when the space shuttle Challenger exploded after lift-off, and one for each of the nine universities then in the State University System. Since then, the Legislature has authorized seventy-eight more specialty license plates.

Specialty license plates are available to any owner or lessee of a motor vehicle who is willing to pay an annual use fee for the privilege. Annual use fees ranging from \$15 to \$25, paid in addition to required license taxes and service fees, are distributed to an organization or organizations in support of a particular cause or charity signified in the plate's design and designated in statute. The Legislature may create a specialty license plate under its own initiative or it can do so at the request of an organization. Under s. 320.08053, F.S., an organization may seek Legislative authorization for a new specialty license plate by meeting a number of requirements.

An organization is first required to submit to the Department of Highway Safety and Motor Vehicles (DHSMV):

- A request for the plate describing it in general terms;
- The results of a professional, independent, and scientific sample survey of Florida residents indicating that 15,000 vehicle owners intend to purchase the plate at the increased cost;
- An application fee of up to \$60,000 defraying DHSMV's cost for reviewing the application, developing the new plate, and providing for the manufacture and distribution of the first run of plates; and
- A marketing strategy for the plate and a financial analysis of anticipated revenues and planned expenditures.

These requirements must be satisfied at least 90 days prior to the convening of the regular session of the Legislature. Once the requirements are met, DHSMV notifies the committees of the House of Representatives and Senate with jurisdiction over the issue, and the organization is free to find sponsors and pursue Legislative action.

If a proposed specialty plate fails to be enacted by the Legislature, DHSMV returns the application fee and other required documents to the organization. If it passes and becomes law, DHSMV notifies the organization, modifies its computer programming to accommodate the new plate, and requests the laminate manufacturer, 3M Company, to produce a prototype. PRIDE at Union Correctional Facility, the contracted manufacturer of license plates, laminates, embosses and roll-coats sample plates that must be submitted to FHP, the Governor, and the Cabinet for approval. Once approval is given, PRIDE begins full production of the plates and distributes them to the Tax Collectors' Offices for sale to the public.

A particular specialty license plate must be discontinued if less than 8,000 plates, including annual renewals, are issued by the end of the fifth year of sales, or during any subsequent five-year period. To date, only three plates have ever been discontinued for lack of sales. These plates are the Girl Scouts plate, the Orlando Predators plate, and the Tampa Bay Storm plate.

The Legislature has authorized 88 specialty license plates to date. Approximately 100 specialty license plates may be available for sale within the next year. Sales of specialty license plates generated more than \$24 million in annual use fee revenues in 2002, and more than \$24.5 million in 2003. Since the program's inception in 1986, the DHSMV has collected annual use fees totaling more than \$225 million.

Effect of Proposed Changes

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- To collect, analyze, archive, and publish scientific data regarding Florida's ocean, estuary, and coastal habitats, and species that inhabit, utilize, or migrate in state those waters and habitats;
- To provide response, care, assistance, and research as part of Hubbs-SeaWorld Research Institute's statewide role in responding to and archiving data on stranded marine species;
- To construct and maintain a marine and coastal research center in association with the Archie Carr National Wildlife Refuge on lands donated to Hubbs-SeaWorld Research Institute by the Richard King Mellon Foundation;
- To train teachers and students to enhance scientific literacy, scientific research competency, and technology development;
- To conduct ocean-space aquatic research and scientific research focused on ocean observations from space;
- To conduct research on economic benefits of the state's ocean, estuary, and coastal resources and public use of those resources;
- To create research and education programs that contribute to the development of the state's knowledge infrastructure and diversify the economy; and
- To implement programs that seek objective, common-sense, scientific solutions to the complex marine and coastal ecological problems facing the state.

The Hubbs-SeaWorld Research Institute is an independent non-profit arm of SeaWorld and its parent companies, Busch Entertainment Corporation and Anheuser-Busch.

C. SECTION DIRECTORY:

Section 1. Amends s. 320.08056, F.S., providing an annual use fee of \$25.

Section 2. Amends s. 320.08058, F.S., creating a Discover Florida's Oceans specialty license plate and providing for the distribution of annual use fees collected from its sale.

Section 3. Provides an effective date of July 1, 2004.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>
1. Revenues:			
HS Op. TF (Retained amounts + App. Fee) :	<u>\$ 120,000</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
2. Expenditures:			
GR (Data Proc.):	<u>\$ 7,560</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
HS Op. TF (Salaries/Bene.):	<u>\$ 15,000</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
(Purch. Plates):	<u>\$ 36,900</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
TOTAL:	<u>\$ 59,460</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Those persons electing to purchase a Discover Florida's Oceans license plate would be required to pay a \$25 annual use fee in addition to the license taxes and fees that are due annually.

D. FISCAL COMMENTS:

DHSMV has already received a \$60,000 application fee from the Hubbs-SeaWorld Research Institute to cover the department's initial costs of developing and issuing the new plate. However, the bill requires DHSMV to retain up to \$60,000 for this purpose. Since estimates for the cost of issuing and developing the specialty plate are only \$59,460, the bill could provide a positive fiscal impact to DHSMV of \$60,540.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because this bill does not appear to: require cities or counties to spend funds or take actions requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

No exercise of rulemaking authority is required to implement the provisions of this bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

HB 605 authorizes DHSMV to retain up to \$60,000 of annual use fees generated by the sale of the plate for the purpose of covering the costs of development and issuance. This language is unnecessary because the Hubbs-SeaWorld Research Institute has submitted the \$60,000 application fee to the department. The purpose of the application fee is to cover these costs. Therefore, an amendment is recommended to remove language authorizing DHSMV to retain these funds.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On March 3, 2004, the Highway Safety Subcommittee recommended one amendment removing language from the bill requiring DHSMV to retain up to \$60,000 in annual use fees from the first sales of the license plate to cover the costs of developing and issuing the first plates. The language is unnecessary because the organization seeking the plate paid an application fee of \$60,000 to DHSMV to cover these costs prior to seeking Legislative action. The Subcommittee then reported the bill favorably.